

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

09-17-07
04:59 PM

In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009

A.06-01-005

**CALIFORNIA-AMERICAN WATER COMPANY NOTICE OF EX PARTE
COMMUNICATION**

STEEFEL, LEVITT & WEISS
A Professional Corporation
LENARD G. WEISS
LORI ANNE DOLQUEIST
One Embarcadero Center, 30th Floor
San Francisco, CA 94111-3719
Telephone: (415) 788-0900
Facsimile: (415) 788-2019
LDolqueist@steefel.com

September 17, 2007

Attorneys for Applicant
California-American Water Company

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of California-American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Los Angeles District to increase revenues by \$2,020,466 or 10.88% in the year 2007; \$634,659 or 3.08% in the year 2008; and \$666,422 or 3.14% in the year 2009

A.06-01-005

**CALIFORNIA-AMERICAN WATER COMPANY NOTICE OF EX PARTE
COMMUNICATION**

In accordance with Rule 8.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“California American Water”) hereby submits this notice of ex parte communications with Laura Krannawitter, advisor to Commissioner Bohn. On Wednesday, September 12, 2007 at 10:00 a.m. Kent Turner, President of California American Water, David Stephenson, Manager of Rate Regulation of California American Water, and Lori Anne Dolqueist of Steefel, Levitt & Weiss, counsel to California American Water, met with Ms. Krannawitter at the Commission’s offices. The meeting lasted approximately 30 minutes and consisted of the oral communications discussed below.

Messrs Turner and Stephenson and Ms. Dolqueist discussed the recent decision in Phase 1 of the above-referenced proceeding. California American Water stated that it supported the decision’s recommendation of a conservation loss adjustment mechanism (“CLAM”), in particular because it would not necessitate an adjustment to California American Water’s return on equity (“ROE”). California American Water explained that generally, a comparison of the rate case weather normalized projected consumption to the actual consumption and weather would provide insight as to the changes in water volume sales due to conservation measures and could be used to calculate the CLAM. California American Water also discussed other options for the rate design phase of this proceeding, such as introducing a modified version of the Water

Revenue Adjustment Mechanism (“WRAM”) and Modified Cost Balancing Account (“MCBA”), but indicated that its preference is to go forward with the CLAM.

At 10:30 a.m., Danilo Sanchez, head of the Division of Ratepayer Advocates Water Division, Jason Zeller, DRA counsel, and Yoke Chan, DRA Project Manager, joined the meeting. The participants moved to a larger meeting room, where they were joined by Natalie Wales, DRA counsel, by telephone. Again California American Water indicated its preference for the CLAM and its general CLAM proposal. DRA and California American Water agreed to commence settlement discussions on the issue of rate design.

Parties may request a copy of this notice by contacting:

Cinthia Velez
Steefel, Levitt & Weiss, P.C.
One Embarcadero Center, 30th Floor
San Francisco, CA 94111-3719
Telephone: (415) 788-0900
Facsimile: (415) 788-2019
cvelez@steefel.com

Dated: September 17, 2007

Respectfully submitted,

STEEFEL, LEVITT & WEISS
A Professional Corporation

By: 

Lori Anne Dolqueist
Attorneys for Applicant
California-American Water Company

PROOF OF SERVICE

I, Cinthia A. Velez, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is STEEFEL, LEVITT & WEISS, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On September 17, 2007, I served the within:

California-American Water Company Notice of Ex Parte Communications

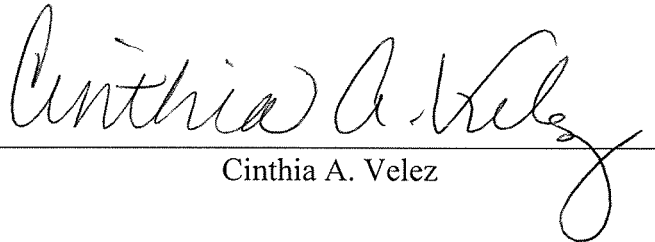
on the interested parties in this action addressed as follows:

See attached service list



(BY PUC E-MAIL SERVICE) By transmitting such document(s) electronically from Steefel, Levitt & Weiss, San Francisco, California, to the electronic mail addresses listed above. I am readily familiar with the practices of Steefel, Levitt & Weiss for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing. Said practice also complies with Rule 1.1 of the Public Utilities Commission of the State of California and all protocols described therein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on September 17, 2007, at San Francisco, California.


Cinthia A. Velez

VIA PUC E-MAIL SERVICE

A.06-01-005

Last changed: August 22, 2007

tkim@rwglaw.com
gkau@cityofinglewood.org
councilofficedistrict2@cityofinglewood.org
creisman@wkrklaw.com
krozell@wkrklaw.com
bmarticorena@rutan.com
uwua@redhabanero.com
dalderson@rwglaw.com
ndw@cpuc.ca.gov
ldolqueist@steefel.com
pschmiege@schmiegelaw.com
dstephen@amwater.com
darlene.clark@amwater.com
rball@cao.lacounty.gov
sdlee3@pacbell.net
jmarkman@rwglaw.com
Pinkie.L.Nichols@KP.Org.
jvasquez@cityofbradbury.org
jhawks_cwa@comcast.net
lweiss@steefel.com
jguzman@nossaman.com
mmattes@nossaman.com
sferraro@calwater.com
demorse@omsoft.com
Martina@akwater.com
mrx@cpuc.ca.gov
cmw@cpuc.ca.gov
des@cpuc.ca.gov
dsb@cpuc.ca.gov
flc@cpuc.ca.gov
llk@cpuc.ca.gov
mkb@cpuc.ca.gov
nyg@cpuc.ca.gov
tfo@cpuc.ca.gov
ywc@cpuc.ca.gov